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PART I.

IMPORTANT GOVERNMENT ORDERS.

CHIEF SECRETARIAT.

Inspector of Office Systems.

ORDER No. 978-1028—C. B. 78-24-1, DATED (CAMP) MYSORE, THE 23RD OCTOBER 1924.

The inspection of various offices all over the State by the Dewan and the Members of Council has prominently brought out the fact that there is much scope for improvement in the manner in which business is transacted in the several departments and that, judged from the point of view of prompt redress of the grievances of the people and quick despatch of public business, the standard of efficiency is not as high as it should be. Although this state of affairs may be due in part to the inadequacy of the staff for keeping pace with the growing demands of a complex administration, to defects in recruitment and training, and to insufficient supervision by the heads of offices and controlling officers, it may safely be said that it is to a large extent due to the existing methods in the transaction of business which are not quite adapted to present day conditions. This point was also raised by the Special Finance Committee, who in para 33 of their report expressed the belief that by 'suitable devolution and redistribution of duties and by changing the methods of work, the clerical and other work in the various Government offices including the Secretariat could be considerably reduced, leading to administrative efficiency and retrenchment of staff to an appreciable extent.' The Committee also proposed the appointment of an officer on special duty for studying the question and suggesting the necessary improvements.

It is recognised by all modern Governments and business organizations that office procedure is of the nature of a specialised art and that the best means of securing its efficiency and avoiding wasteful methods is a matter requiring constant study by experts. Suggestions for improving the efficiency of offices and for simplifying and reducing work may no doubt be expected to some extent from departmental officers themselves, if they attend regularly to the work of check and supervision; but experience shows that office inspection has assumed a purely routine character and special measures even though they may be temporary are necessary to bring about an appreciable improvement.

3. After careful consideration, the Government have come to the conclusion that it is necessary to have for this purpose an officer of suitable experience and standing whose business it would be to examine the working of office methods and procedure in force in the several offices, locate defects, study systems in force as well as developments in other Governments and in business concerns, and suggest the necessary remedies and readjustments of establishments wherever possible, in consultation with the departmental officers. Government are accordingly pleased to sanction the appointment for a period of one year of an officer to be known as Inspector of Office Systems. He will have the status of a Deputy Commissioner and have full access to the various departments and offices, and will work directly under the orders of Government. He will also be available for conducting special inspections of offices whenever the Dewan or any of the Members of Government considers such inspections necessary.

4. It may be mentioned here that the improvement of the methods of office work and procedure was one of the objects with which the "Efficiency Audit" Branch of the General and Revenue Secretariat was constituted in the year 1914. A considerable amount of useful work in this direction was done by the Efficiency Audit Branch, *e.g.*, it has prepared several office manuals, issued detailed rules for office inspections and introduced several improvements of office methods. The arrangements sanctioned in the year 1914 were continued with certain modifications up to the year 1921 when Government were compelled, as a part of the policy of retrenchment, to restrict the activities of the Efficiency Audit Branch. In 1922 they practically abolished it. At present, the staff consists of only two Superintendents attached to the Secretariat who are employed in assisting the Members of Government in the inspection of offices and on the compilation of departmental manuals. This special establishment will be abolished on the appointment of the Inspector of Office Systems. Work relating to departmental manuals will be wholly entrusted to Heads of Departments who will however be entitled to the advice of the Inspector of Office Systems in regard to their compilation and maintenance.

5. Another direction in which the improvement of existing methods is urgently called for, with a view to avoid possible loss of revenue to the State, is in regard to the audit of the revenue receipts of Government. While Government have, in the Audit Department, a strong and independent agency for the scrutiny of every item of expenditure, they have no such independent or outside agency charged with the duty of satisfying itself that all sources of State Revenue are correctly brought to account, regularly collected and promptly credited to the public treasury. The examination of expenditure has hitherto been the main pre-occupation of the Audit Department as that is the chief duty which has been laid on it. Under the existing system no responsibility devolves upon the Audit Department in regard to the watch over realisation of departmental revenues. The duty of seeing that the dues of Government are realised and paid into the treasury rests entirely with the departmental officers and all that the Comptroller is required to do in regard to the principal items of revenue is to send to the Heads of the Departments concerned, monthly statements of credits appearing in the accounts of treasuries on account of actual remittances made by or on behalf of the departments. The only important exception to this arrangement is in respect of miscellaneous demands of Government which do not directly pertain to any particular revenue department and for which the Comptroller is required to maintain a separate register and watch recoveries against the demands noted in it. The existing procedure makes the Comptroller simply a Banker who periodically reports to his constituents what they have remitted for credit to their accounts.

6. The system of audit in force in Mysore is based on that prevailing in British India. There also the control of receipts is entirely in the hands of departmental officers, the only exception being in regard to the commercial departments of Railways and Posts and Telegraphs, the receipts of which are subject to the examination of the Audit Department. In connection with the Reform Finance, however, an important step in the direction of subjecting revenue accounts to independent scrutiny has been taken in British India as the Rules framed by the Secretary of State in Council under Section 96 D (1) of the Government of India Act provide that "the Auditor-General shall, if so required by the Governor-General in Council, arrange for the audit of the accounts of the receipts of revenue of any Government Department." The system prevailing in the United Kingdom also provides for the examination by the Comptroller and Auditor-General of the chief items of revenue on behalf of the House of Commons.

7. The duty of seeing that the dues of Government are regularly realised and remitted to the treasury must, of course, remain with the Heads of the Revenue Departments, and Government have no intention of superseding or reducing their responsibility in this respect. At the same time, the Government consider that it is desirable and necessary to provide for an independent agency to see that this important duty of the revenue departments is properly performed by them. Apart from the theoretical need for the independent audit of revenue receipts as of expenditure and also apart from the practice adopted by advanced Governments like that of the United Kingdom, the unsatisfactory condition of the accounts

of some of the revenue departments in Mysore calls for the employment of an agency independent of such departments, qualified for examining accounts and capable of discovering errors, frauds and short credits in respect of revenue due to Government. The ordinary staff—subordinate and superior—of the revenue departments engaged in keeping and examining accounts cannot be expected to possess any special knowledge of accounts work and the inspection of their accounts by an expert agency is likely to discover points not generally noticeable by departmental officers.

8. Taking the Land Revenue Department, for instance, it has long been recognised that its accounts relating to demand, arrear and current, require overhauling. The demand according to the taluk and district accounts does not agree with that as shown in the village accounts. The demand under "contributions" in respect of irrigation works as appearing in the accounts of the Revenue Department is also considerably less than that shown in the books of the Public Works Department. Wide divergences between the departmental and treasury accounts of collections also exist. Similar features appear to characterise the accounts of the Forest and Excise Departments. The revision of the tariff rates for valuation of cotton goods produced by the mills in Mysore had been neglected for over fifteen years. The Income-tax is an important and growing source of revenue and it is necessary to see that the Demand, Collection and Balance accounts relating to it are properly kept and also that assessment work receives timely and adequate attention. It is evident, therefore, that in the interests of revenue, the employment of special staff for the local examination of accounts of the more important of the revenue departments is an urgent necessity, specially in view of the instances which have come to notice where large sums have either been omitted to be booked or collected and thus lost to the State.

9. The expansion of the province of audit by including in it the audit of receipts of all accounts entails very heavy work and if this responsibility is imposed upon the existing Audit Department, its staff will have to be enormously increased in order to cope with it. Even as it is, the Comptroller's Office is overburdened with work and the question of its expansion is separately under consideration. Government do not, therefore, propose at the present stage to entrust to the Audit Department the responsibility for the audit of all the revenues of the Government; but they consider that, as a tentative measure, the officer selected as Inspector of Office Systems may be one who has had training in accounts work and required to undertake the revenue audit work in addition, as an experimental arrangement. As it will be obviously impossible for him to attend to this work in the State as a whole, he will confine himself for the present to the Mysore District. His duties under revenue audit will be mainly to see (1) that in each office, accounts and registers necessary for a complete record and an effective check of receipts are maintained, (2) that the arrangements for bringing on the demand registers the different items of revenue to be realised are satisfactory and that the records and the authorities on which the demand items are based are readily available for purposes of verification, (3) that the regulations and the procedure relating to assessment, collections and proper allocation of revenue are effective, (4) that remittances are made to the treasury within the prescribed time, (5) that collections claimed in the departmental accounts are agreed with the credits afforded in treasury accounts for remittances received, (6) that recoveries are made within the prescribed time, (7) that the accounts relating to demand, collection and balance are written up without delay, (8) that remissions and write-offs are according to rules and sanctioned by competent authorities and (9) that existing forms of accounts are suitable and if not to suggest improvements. The Revenue Audit contemplated here will extend for the present to Land Revenue, Excise Revenue, Forest Revenue, Income-tax, Stamps and Miscellaneous Land Revenue, such as sale of lands and contributions on account of irrigation works.

10. Separate orders will issue regarding the establishment, clerical and medial, to be allowed to the Inspector of Office Systems and Officer in charge of Revenue Audit. The extra cost involved in these arrangements for about six months during the current official year will be met from a supplementary grant for which a demand will be placed before the Legislative Council at its next meeting.

K. MATTHAN,
Chief Secretary to Government.

LOCAL AND LEGISLATIVE SECRETARIAT.

Reports on the working of the Town Municipal Councils in the State for 1922-23.

READ—

The reports on the working of the Town Municipal Councils in the State for 1922-23.

ORDER No. L. 3141-52—ML. 83-23-52, DATED 17TH OCTOBER 1924.

1. *Number and constitution.*—The number of Town Municipal Councils working during the year was 29. The Municipal Councils of Hassan, Tumkur, Kolar and